

GOING BEYOND

Sustainable Development 2021-22

Britain's leading independent supply-chain partner for sourcing, handling and transportation of aggregates, building products, waste and recycled materials.



WE GO BEYOND

GRS is Britain's leading independent supplier of essential construction materials, from low-carbon recycled aggregates and decorative landscaping products to high-volume bulk aggregates for the country's biggest infrastructure projects.

We trade and transport approaching 20 million tonnes of materials each year – up to 80,000 tonnes a day – that's enough to fill Wembley stadium 18 times over. We provide our customers with end-to-end transport solutions, by sourcing the most suitable materials and making efficient use of road, rail, river and sea freight to deliver them as sustainably as possible. We're also a leading provider of waste removal services, offering total solutions for recovery and reuse of unwanted construction, demolition and excavation waste. And we operate a land remediation business, preparing the ground for new development or nature recovery.

Three operating divisions:

grs | **TRADING**

grs | **BUILDING PRODUCTS**

grs | **INTEGRATED SOLUTIONS**

GRS employs a dedicated team of 800 people nationwide – including subsidiary businesses and joint ventures – based at just over 50 operating centres the length and breadth of the country. Besides supporting the UK's biggest construction schemes, we also supply leading builders merchants and garden retailers with a range of decorative gravels, concrete blocks, paving products, and specialist materials like play sand and rock salt.

Pre-pandemic GRS ranked among the fastest growing of all British firms in all sectors in the Sunday Times Top Track 250 for four years running, reaching number 65 in 2019. The company is proud of the range of certifications and accreditations we hold that underpin our credentials in areas such as health, safety and wellbeing, people development, environmental management and sustainability.

ROUND NUMBERS

Dedicated employees:



Nationwide business:



Increasing volumes:



Independently established:



Growing revenues:



Sustainable development as part of our DNA



Welcome to our first sustainability report. Although GRS hasn't formally reported its environmental performance as a Group previously, our credentials in this area are widely documented. Indeed, the entire GRS business model has – for more than a decade – been based on efficient use of natural resources, and transporting them as efficiently as possible.

This has increasingly meant recovering materials from recycled or secondary sources and then minimising how far they travel and how much they're handled, and by doing so reducing energy use and reducing carbon. In pursuing these

efficiencies we have invested in lower carbon material sources and lower carbon transport solutions like rail and river.

I am proud that we have been ahead of the game in developing a business model that has sustainability at its core. Yet in recent years – as we see the effects of climate change around us – the bar has been raised significantly as the UK sets its sights on reaching net zero carbon by 2050.

The team at GRS has been galvanized into a fresh series of actions, and we have set ourselves a stretch target to reach net zero by 2040. With the ingenuity and can-do attitude of our people I am optimistic that we can get there. This is, after all, a business that likes to go beyond!

Of course, carbon and climate are critical, but delivering a sustainable business model is about more than that – it's about the wellbeing, development and empowerment of our people, the local environment in the places we operate and the best

practices and high standards for which we hold ourselves accountable.

We have therefore focused on three P's – **people, planet** and **practices** – which together provide the framework for our approach to sustainability and reflect the widely recognised ESG model (environment, social, governance). These are outlined in this first report which we hope you find interesting and useful.

I am grateful to our business partners, our loyal customers, our strategic suppliers and our dedicated employees for their collaboration that will allow the entire supply chain to move together towards net zero and a sustainable business model. I and my executive colleagues at GRS welcome comments and questions as we find ways to rise to the challenges and seize the opportunities that lie ahead.

Jon Fisher, CEO, GRS Group

HIGHLIGHTS 2021/22

People

- Launched "Let's Talk" mental health campaign as part of our wellbeing strategy
- Almost 40% of our people participated in formal training as part of their personal development
- Over 100 managers participated in 'emotional resilience' training to support their teams

Planet

- Increased rail volumes to 20% of our delivered materials – more than any other year
- Secured long-term exclusive supply of aggregates derived from UK tungsten mine waste
- Opened state-of-the-art processing plant at Tilbury to bring low-carbon aggregate to London

Practices

- Restructured the business to improve efficiency and accelerate our sustainability journey
- Record turnover gives us the scale and the means to invest in sustainable technologies
- Increased community support with operational site improvements and a new volunteer scheme

Building a sustainable business model

"The development of a sustainable business model has been at the heart of the GRS strategy for many years"

The clearest practical evidence of this lies in the Group's efficient recovery and reuse of material resources and seamless end-to-end freight solutions that minimise material handling and maximise lower-carbon rail and marine transport. These core business activities reflect the GRS Group vision 'to be recognised as the UK's leading independent, integrated construction and waste materials trader and partner of choice for construction sector services'.

A series of strategic acquisitions and joint ventures in the past five years has enabled the Group to accelerate towards its vision, for example the drive to supply high-quality secondary aggregates into London by lower-carbon sea freight has been made possible by the acquisitions of Maen Karne in Cornwall and Walsh in London. And during the same period GRS has been able to scale-up its involvement in major infrastructure schemes. In 2021, for example through our Rail Stone Solutions subsidiary, we became the lead supplier of essential aggregates to HS2, most of which is delivered by lower-carbon rail, removing vehicle miles and lowering emissions.

Outside the environmental arena, there is further evidence of GRS' progress towards a sustainable business model. Back in 2017 the company set out three strategic priorities, one of which was – and still is – being 'number one for people'. Without the enthusiasm, commitment, capability and wellbeing of our workforce we would not be able to deliver on our vision therefore people must and will always be central to our sustainable business model. That led to a series of far-reaching initiatives to support and develop our people in all roles, at all levels and at all locations. *(cont'd overleaf)*



GRS Group Vision

"To be recognised as the UK's leading independent, integrated construction and waste materials trader and partner of choice for construction services sector."



No 1 in people

Recognised as a great place to work & develop your career



No 1 in customer experience

Our customers say GRS is the best



No 1 in our chosen markets

Each GRS business is market leader



OVERVIEW



Although progress is being made on our drive to creating a sustainable business in many areas, we recognise that to move forward – and to go beyond net zero carbon emissions – a more comprehensive and integrated ESG strategy is required, backed by thorough measurement of where the business stands today, a series of targets setting out where we want to get to, and a credible roadmap to get us there. These continue to be ‘work in progress’ and we expect to be able to set out our plans in greater detail in our next report.

To help to galvanise the business around an ESG strategy, in 2022 the GRS Group embarked on a major restructure of its business to streamline its processes and practices, improving efficiency and sustainability in the areas which have the biggest impact. That has allowed GRS to set out on a new journey to put in place an ESG framework to help us to formulate and deliver on our ambitions to build a truly sustainable business model.



That framework is designed to align with international ESG model(s) and is based around three core areas that reflect our business now and in the future – people, planet and practices.

The next sections of this report set out our ambitions and goals, along with key activities and progress in each of these three areas.

KEY TARGETS

People

- By 2025 achieve zero lost-time incidents and attain a ‘world class’ health and safety performance
- By 2025 every employee will have the opportunity to participate in formal learning and development
- By 2025 our entire workforce will be trained on emotional wellbeing

Practices

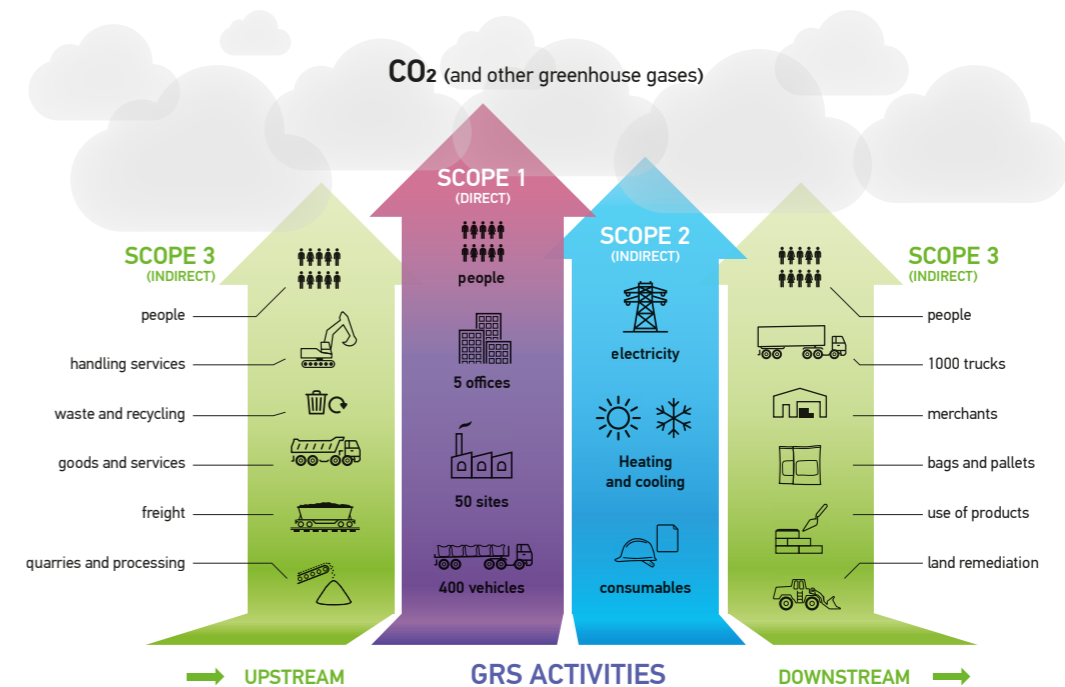
- By 2025, all sites will have an active site improvement plan to address ESG impacts
- Introduce a range of everyday practices to improve sustainability at all offices and sites

Planet

- By 2025 we will have a measure of the carbon impact of our activities across Scopes 1, 2 and 3
- By 2025 we will have a tool to be able to calculate the carbon footprint for each project we supply
- By 2040 we will deliver all materials at net zero carbon emissions and zero tail-pipe emissions
- By 2025 we will double the volume of secondary and recycled materials we supply
- By 2025 we will offer a 100% recycled or secondary lower-carbon option to all our customers
- By 2040, 80% of our products will come from secondary and recycled sources and the only primary aggregates we source will be certified as net zero carbon

In considering the impacts of our business across these three areas - **people, planet, practices** - we recognise that there are some activities for which we have direct responsibility (scope 1), activities over which we have some influence but do not control (scope 2) and activities over which we have little or no influence (scope 3). See page 21 for further details.

GRS sustainability challenges across 3 ‘scopes’



We found it useful to adopt and adapt the Scope 1, 2 and 3 model traditionally applicable only to carbon emissions to better understand the areas where we can make the biggest and fastest improvements, compared to those which require a longer-term strategic approach and stakeholder engagement. This remains a ‘work in progress’ and we intend to share further details in subsequent sustainable development reports but our initial focus will be on Scope 1 and Scope 2 impacts.

PEOPLE

People at the heart of everything we do

Highlights

- Launched “Let’s Talk” mental health campaign as part of our wellbeing strategy
- Almost 40% of our people participated in formal training as part of their personal development
- Over 100 people participated in ‘emotional resilience’ training

Targets

- By 2025 achieve zero lost-time incidents and attain a ‘world class’ health and safety performance
- By 2025 every employee will have the opportunity to participate in formal learning and development
- By 2025 our entire workforce will be trained on emotional wellbeing

Core values

GRS has put a huge amount of effort into making the business a place where people want to develop their careers, but also a place where they want to spend time, where they can be themselves, where they’re looked after and where they flourish.

So when the company redefined its ‘five core values’ in 2017 (see page 35) it was no surprise that ‘Caring’ emerged as the number one value that people wanted to see, and experience, at GRS - an environment where people look out for one another. This has spawned a number of initiatives which have continued to evolve and expand during 2021/22.



CARING



INSPIRING



DEVELOPING



CAN-DO



EXCELLING



PEOPLE

“At GRS, everyone - employees, contractors and visitors - has the RIGHT and the RESPONSIBILITY to ensure no harm is done to people, property and the environment”

Jon Fisher
CEO, GRS Group

No Harm. Done.

The safety, health and wellbeing of our people and those we work with is paramount at GRS. We're determined to operate our business in a responsible manner that ultimately results in no harm to people, property or the environment.

In 2017, we launched a powerful behavioural safety campaign aimed at employees, contractors and others working alongside GRS, entitled 'No Harm. Done.' This campaign emphasises that every person has the right and the responsibility to ensure no harm is caused to people, property or the environment – this is core to our sustainable business model.

As a result of the concerted effort of our people at all levels, the business has continued to reduce lost-time

incidents to two in 2021/22 and in 2023 we are stepping things up to reach zero ahead of our 2025 target.

No task is so important or urgent that somebody should get hurt doing it and we are unrelenting in our determination that no employee should be injured doing their job.

Whilst we are proud of the progress we have made, the fact remains that safety incidents and 'near misses' do still occur; we recognise that health and safety requires constant attention to continually improve and in 2022 we bolstered our HSEQ team with extra resource to take us to the next level.



Operatives at Thurrock site receiving their '1000 days without incident' award.

NO HARM. DONE.

The campaign is based on five essentials:

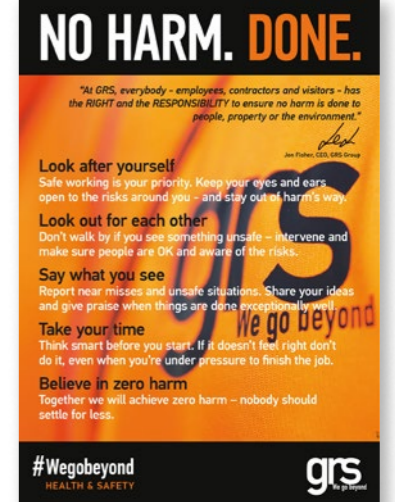
- (1) Look after yourself** - Safe working is your priority. Keep your eyes and ears open to the risks around you – and stay out of harm's way.
- (2) Look out for each other** - Don't walk by if you see something unsafe – intervene and make sure people are ok and aware of the risks.
- (3) Say what you see** - Report near misses and unsafe situations. Share your ideas and give praise when things are done exceptionally well.
- (4) Take your time** - Think smart before you start. If it doesn't feel right don't do it, even when you're under pressure to finish the job.
- (5) Believe in zero harm** - Together we will achieve zero harm – nobody should settle for less.

Say What You See

Among the many aspects of No Harm. Done was the introduction of a new 'near miss' reporting system 'Say What You See'. This has become an everyday part of our continuous improvement process in workplace health and safety with reports followed up and action taken for improvement.

No Harm. Done. pledge card

As part of our drive towards an interdependent health and safety culture, every employee is issued with a pledge card. This gives every individual the right to stop any business activity if they consider it is unsafe. The cardholder can intervene without fear of reprisal or recrimination - it's a licence to enable unsafe acts and conditions to be addressed immediately.



A1/A2 site posters



A6 response cards



Personalised pledge cards



Don't sit in silence

Most importantly, in 2022 this led to the launch of a multi-faceted campaign called 'Let's Talk' which is the flagship for supporting colleagues' health and wellbeing by making it acceptable to talk openly about the issue of mental health. All GRS employees have been asked to sign up to the 'Let's Talk' pledge – and the uptake has been fantastic, proving that there's a demand and a will among people to support and improve together. We're still near the start of our journey towards making mental health a subject that everyone can talk openly about but we have made a great start.



Workplace Wellbeing

During the global pandemic, besides the Covid-19 virus itself, GRS saw there was a broader issue relating to the anxiety, stress and uncertainty that covid had accentuated. In response, during 2021/22 GRS turned its attention to the wellbeing – and especially the mental health – of its workforce, working with external providers and appointing a dedicated internal resource to put in place a range of measures to support people through difficult times.

A more structured approach to mental health and wellbeing was needed, to be able to benchmark our efforts and plug any gaps in our provision of this service. So we embarked on a journey to formalise things through the 'Thrive at Work' programme. Thrive gives us a framework, and the scheme is helping GRS to build a plan and access the information, support and advice to accelerate care for mental health issues among its work force. The aim is to deliver best practice so we can properly support people going through tough times.

Examples of activities that we have undertaken in 2021/22 to support wellbeing include:

- Producing a strategy for health and wellbeing and sharing it with everyone
- Updating policies to clarify key responsibilities for health and wellbeing
- Putting health and wellbeing on the agenda of every meeting
- Changing how we record sick leave so we can track mental health trends
- Training managers on how to produce a wellbeing action plan
- Setting up noticeboards at every site so people can get support and advice
- Establishing a network of health and wellbeing ambassadors
- Re-promoting our Employee Assistant Programme and ensuring the contact details we included in our company global directory
- Initialised Emotional Wellbeing & Resilience training, delivered by Mind UK
- Producing health manuals focused on gender-specific issues
- Appointment of a qualified and experienced health and wellbeing specialist to drive things forward



Emotional wellbeing workshops

The GRS Academy started delivering Emotional Wellbeing and Resilience workshops in 2021. These highly popular learning events are designed and delivered in partnership with **Mind UK**, the mental health charity. Areas covered include what stress means, how to develop protective characteristics, common mental health problems and how to support someone suffering with mental health, active listening and communication skills. Whilst no GRS managers or employees are qualified counsellors or specialists in this field, we believe it is imperative that our managers are equipped with tools and techniques to recognise, support and signpost if there are concerns about their emotional wellbeing.

GRS HEALTHY COOKS

When we get home from work it's easy to find excuses not to cook properly! So with input from colleagues GRS gathered together some healthy, tasty recipes in a cook book for all staff. Cooking our own food, means we know what has been put into every meal and gives us control over our calorie intake as well as foods we wish to avoid due to intolerances or allergies. And putting good fuels into our bodies helps us to feel good and function well.



Grow, develop and succeed - GRS Academy

**GROW
DEVELOP
SUCCEED**

GRS is determined that working for GRS should be fulfilling and rewarding. Our aim is to create and maintain an environment where everybody is valued and can reach their potential. The GRS Academy is designed to make

this happen – it's one of the great examples proving that our people are at the heart of everything we do.

The GRS Academy is a people-dedicated learning centre plus support team, committed to the development of the huge pool of talented people we have working at GRS. Through the Academy, we provide high-quality practical training for our employees at all levels.

Such is the standard of our programmes that GRS is one of the few companies in our sector to be awarded 'Recognised Provider' of the ILM, the UK's leader in the provision of leadership, management and coaching qualifications.

Besides running courses in-house, we also have strong links with a network of external professional bodies,

including the Royal Military Academy, Sandhurst, which runs a three-day practical learning event as part of our acclaimed First Line Management (FLM) programme.

Development is offered at various levels and cover all our core business areas:

- **Leadership & Management**
- **Customer Service & Sales**
- **Production & Logistics**
- **Business Administration**

The GRS Academy was first set up in 2016 and has grown rapidly. In the past year alone, more than a third of our 800-strong workforce has taken part in personal development through our people-dedicated learning centre. Since it was established more than three quarters of our employees have participated in GRS Academy programmes with almost 200 of those taking on new roles as a result of internal promotion. GRS went on to develop a unique set of training courses with Sandhurst Military Academy (one of the first cohorts is pictured below) where over 50% of the programme is focused on mental state and wellbeing.



Pictured above: The GRS yard-to-driver scheme is designed to give site operatives the chance to train to become fully-qualified Class 1 HGV drivers.



Pictured above: GRS is one of the few in its sector to hold 'Recognised Provider' status for its people development programmes by ILM, the UK's leading provider of leadership, management and coaching qualifications.



#WeGoBeyond Excellence Awards 2022

Recognition and reward

Now in their fifth year, the annual 'We Go Beyond' Excellence Awards recognise and celebrate the achievements of our people at all levels of our business who have gone above and beyond in fulfilling their role for GRS. The peer-nominated prizes are presented in eight different categories - from sales and customer service to operations and transport to support functions - to ensure that everyone has a chance of being nominated and winning an award. The winners are announced at the GRS



annual senior leadership conference, with nominees invited to attend the event, work with colleagues from across the business and directly contribute to the development and delivery of business strategy.





Pictured above: GRS has a unique partnership with the League Managers Association which offers support that complements our own leadership programmes. One of the highlights is the annual inter-company five-a-side football tournament at St Georges Park, Staffordshire - the home of English football - where GRS teams are coached by some of the best-known football managers and compete for the GRS Cup!

Sustainability training

GRS is also a gold member of the Supply Chain Sustainability School, an organisation committed to providing construction sector workers the skills and knowledge to deliver a sustainable future.

One of our priorities for 2022 to 2025 is to ensure that every person working for GRS has an understanding of what sustainability means and what their role is in helping us to deliver a sustainable

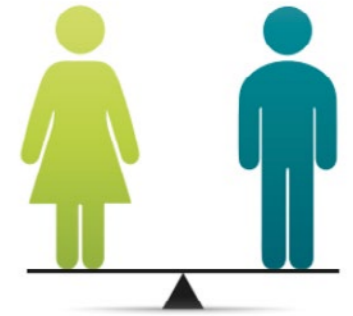
business model. Besides improving knowledge and awareness of sustainability at all levels through formal training and engagement, the aim will be to provide tools and set expectations, with each employee assigned to deliver on sustainability objectives through the GRS 'My Development Goals' annual performance review process, to ensure that everyone has a chance of being nominated and winning an award. The winners are announced

at the GRS annual senior leadership conference, with nominees invited to attend the event, work with colleagues from across the business and directly contribute to the development and delivery of business strategy.



Inclusion and diversity

GRS is committed to equal opportunities and equal treatment for all employees, regardless of their sex, race, religion or belief, country of origin, age, marriage or partnership status, pregnancy, maternity or paternity circumstances, sexual orientation, gender reassignment, disability or neurodivergence.



Whilst we begin to develop our strategy to ensure inclusion and diversity of our workforce, we continue to publish our gender pay data in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This continues to show that the average pay difference between women and men employed by GRS has narrowed to 4.5% (compared to the construction industry average of 12.9%) and that any remaining 'gap' is the result of the different roles carried out by men and women in the business. Where men and women are doing the same job we can confirm that there is no gender pay gap in each case.

By 2021, following a number of senior appointments in recent years, more than a quarter of our directors were female – this reflects the ratio of women to men throughout the business and demonstrates a higher percentage of senior women in GRS than the construction industry as a whole (13%).

Significant progress is being made in equality, and it remains a matter of priority for the GRS Executive Board, who unanimously see the opportunities of greater diversity and inclusion across the Group. The GRS people development strategy has enabled a broader range of employees to participate in development programmes, helping to unlock new career opportunities within the Group.

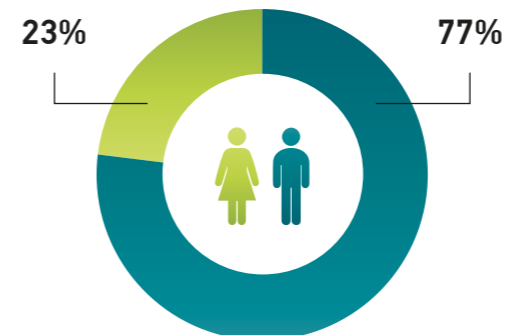
GRS mean average gender pay difference



Construction industry average



Proportion of men and women across the group



Proportion of men and women who received a bonus payment



Social mobility pledge



In order to support the growing gap of employment opportunities for people with disadvantaged social or economic backgrounds, GRS has joined over 500 other UK organisations in committing to the Social Mobility Pledge. Social mobility refers to people moving 'up' (or 'down') the social hierarchy. In the context of the 'Pledge', as part of our approach to people development we are committed to boosting opportunities for everyone regardless of their socio-economic background.

Whilst GRS already has good practices in place, we will continue to expand our efforts in a number of ways, for example:

- Working with schools and colleges to provide work experiences and careers advice.
- Provide structured apprenticeship opportunities with real prospects for development.
- Adopting open employee recruitment practices which promote a 'level playing field'.

Our local communities

The primary focus of our approach to people is those who are employed directly by GRS closely followed by those we work alongside as contractors or business partners. In 2021/22, following the pandemic we have extended our approach by reaching out into our local communities.

GRS has six main offices and around 50 operational sites nationwide. Although many of our locations are small with just a handful of people based there, GRS is committed to being a good neighbour and supporting the communities close to where we work (see section on Operational Management). There are also a growing number of examples of proactive and voluntary community activities that our colleagues are getting involved in.



SUPPORTING LOCAL COMMUNITIES



River restoration

Colleagues from GRS Trading got deep in to riverbank restoration thanks to our partnership with The Box Moor Trust near Hemel Hempstead. The Box Moor Trust is a self-supporting charity that manages 500 acres of grazing and amenity land on the outskirts of Hemel Hempstead and Bovingdon on behalf of the local community.

In 2022 more than 50 people from GRS took part in a scheme to restore several hundred metres of the bank on the River Bulbourne, a globally rare chalk stream habitat in Hertfordshire.



The project involved replacing old man-made riverbank supports with natural hazel bundles that both protect the banks from erosion and encourage natural siltation. The initiative also supports biodiversity - creating valuable new habitats for wildlife - and helps to reduce flood risk. Besides contributing to the river improvements our colleagues got to work with different people and try their hand at new skills along the way!

Go Outdoors!

We've worked with our neighbours at East Tilbury Primary School in Essex to give schoolchildren access to nearly 400 acres of open land, unlocking an array of new outdoor learning opportunities!

The GRS team has proudly installed new fencing and a new gate access, then laid a woodland path that leads into a former quarry site that's been restored by GRS. That means the school's 700 children can get outside for some hands-on learning, supporting subjects like science and geography as well as improving wellbeing, self-confidence, problem-solving and interpersonal skills.

"Going out into this vast new area will be a big adventure for our children and we feel fortunate to have been given access to such a wonderful open space on our doorstep, thanks to GRS," said Headteacher Fiona Bates.

"This marks the start of a new relationship between GRS and East Tilbury Primary School and we hope to find more ways to work together to support the staff and children in the years to come," said GRS Group Chief Executive Jon Fisher.



Pictured (left to right) are GRS Technical Manager Tom Pugh, Headteacher Fiona Bates, GRS Chief Executive Jon Fisher and Deputy Head Teacher Andy Gowland.

Essential materials, responsibly sourced, sustainably delivered.

“The entire GRS business model is based on the most efficient use of natural resources, transporting them as efficiently as possible”

Highlights

- Increased rail volumes to 20% of our delivered materials by rail – more than any other year
- Secured the long-term supply of granite derived from UK tungsten mine waste
- Opened a state-of-the-art processing plant at Tilbury to bring low-carbon aggregate to London

Targets

- By 2025 we will have a measure of the carbon impact of our activities across Scopes 1, 2 and 3
- By 2025 we will have a tool to be able to calculate the carbon footprint for each project we supply
- By 2040 we will deliver all materials at net zero carbon emissions and zero tail-pipe emissions



Carbon emissions

In 2021/22 extensive data collection took place to be able to calculate our carbon and other greenhouse gas (GHG) emissions for the first time. In this first year of data collection and analysis we have focused on Scope 1 and Scope 2 emissions, with a view to establishing and accurately reporting our Scope 3 carbon footprint as soon as possible.

The total 2021-22 Carbon Footprint for GRS Group (Scope 1 and Scope 2 emissions) has been calculated as 3,350.19 tonnes of CO₂e. CO₂e is the abbreviation for carbon dioxide equivalent.

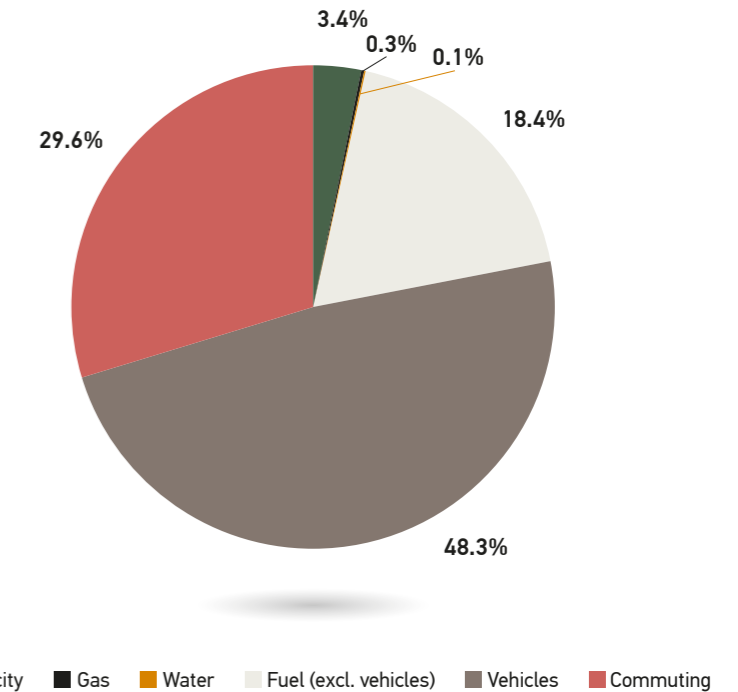
This equates to a carbon intensity of 4.6 tonnes per GRS Group employee or 0.0002 tonnes of carbon per tonne of materials traded. Although this average does not provide a meaningful measurement for any given delivery of materials, it provides a baseline in which we can improve year-by-year on our journey towards net zero.

Total footprint



Note
The figure of 3,350.19 tonnes of CO₂e (carbon dioxide equivalent) is based on our Scope 1 and Scope 2 emissions data.

Carbon footprint overview for GRS Group



EMISSIONS SCOPES 1, 2 AND 3

Scope 1 direct GHG emissions

Includes emissions from activities owned or controlled by the organisation.

Scope 2 energy indirect emissions

Includes emissions from the consumption of purchased electricity to run operations, heating and cooling.

Scope 3 other indirect emissions

Includes emissions that are as a consequence of our actions, but the source is not owned or controlled, and are not classed as Scope 2 emissions. Scope 3 emissions are from activities that are upstream or downstream in the supply chain.

Assumptions

Our carbon footprint calculations have been formulated by our consultants Wanderlands based on data provided by GRS in alignment with the guidance contained in ISO 16064-1 and the GHG Protocol Accounting and Reporting Standard, the world's most widely used greenhouse gas accounting standards. Calculations are based on the 2021 greenhouse gas emission conversion factors provided by the Department for Business, Energy, and Industrial Strategy, an internationally recognised metric. The data used to calculate the carbon footprint is believed to be accurate but a number of assumptions have been made in relation to fuel usage and associated emissions. Our carbon data is awaiting authentication from an independent third party verification body.

Our journey to net zero

The landmark Paris Agreement set a target to pursue efforts to limit global warming to 1.5°C above pre-industrial levels. This was supported by a less ambitious pledge to keep global temperature rises to well below 2°C.

To align with a 1.5°C scenario, GRS Group has set a target to reach net zero well before 2050, with a stretch target to reach net zero by 2040. This requires us to reduce our Scope 1, 2 and 3 emissions by 90% by the deadline, while the remaining 10% is considered as a provision allowance for residual emissions that cannot be eliminated from our value chain and should be offset using verified carbon removals through the planting of new woodland on land controlled by GRS as well as land owned by third parties.

Now that we have a 'proxy baseline' allowing us to better understand the main sources of carbon in our business and its supply chain, we are developing a comprehensive and continuous measurement procedure aligned with a carbon reduction strategy across Scopes 1, 2 and 3. This will be delivered through a net zero roadmap which will include science-based short-term emission reduction milestones (in 2025, 2030 and 2035) which are viewed as both critical deadlines for carbon reduction but also timely moments to review and refine our carbon reduction strategy. These targets will be developed using guidance provided by the Science-Based Targets initiative, designed to drive ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

Transport

Essential aggregates for construction represent the biggest single flow of goods in the economy. Aggregates are rarely needed in the places they are sourced and so they need to be transported locally, nationally and occasionally internationally.

For GRS the majority of our environmental impact and our carbon footprint comes from the handling and transportation of materials. We move construction aggregates, building products and waste materials by road, rail, river and sea. Each of these modes of freight has different impacts and emissions.



Carbon net zero
The goal of carbon net zero is to reduce greenhouse gas emissions from business operations and activities, making progressive reductions in line with recognised science-based pathways until net zero is reached. The primary strategy is typically to target a reduction of 90% from the baseline Scope 1, 2, and 3 emissions. The secondary strategy is to address the residual 10% by investing in removal-based (rather than avoidance-based) offset solutions, such as sustainable reforestation projects.

Paris Agreement
The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

Road transport



Today, the largest proportion of the materials we transport is by road either using our own fleet of vehicles or a network of third party haulage contractors. Road freight provides the greatest flexibility and versatility for collecting materials from point A and delivering them to point B.

Road freight still relies on diesel and we have optimised our fleet to minimise diesel use, from the choice of vehicles themselves to routing technology to reduce 'empty' road miles and the use of telematics ensure driving techniques that use less fuel.

GRS is among the companies working with vehicle suppliers and haulage partners to trial new technologies, although most of the innovations that will allow us to make a step change reduction in diesel use are yet to reach a point of widespread commercial viability. However, we have an active policy to procure only the lowest emission, lowest weight vehicles in their class when existing fleet HGVs are replaced.

In 2022, following trials, we invested in renewable vehicle fuels, introducing hydrotreated vegetable oil (HVO) to our fleet in the south west of England. HVO is proven to be a clean alternative to fossil fuel derived diesel and, importantly we have selected a secure long-term supplier of HVO which sources its fuel only from waste materials.

Meanwhile, GRS Building Products has introduced an electronic ticketing system using intelligent software that eradicates paper and optimises vehicle mileage. This saves a huge amount of paper – the equivalent of 45 trees per year – as well as the energy and water required to make the paper.

Rail freight

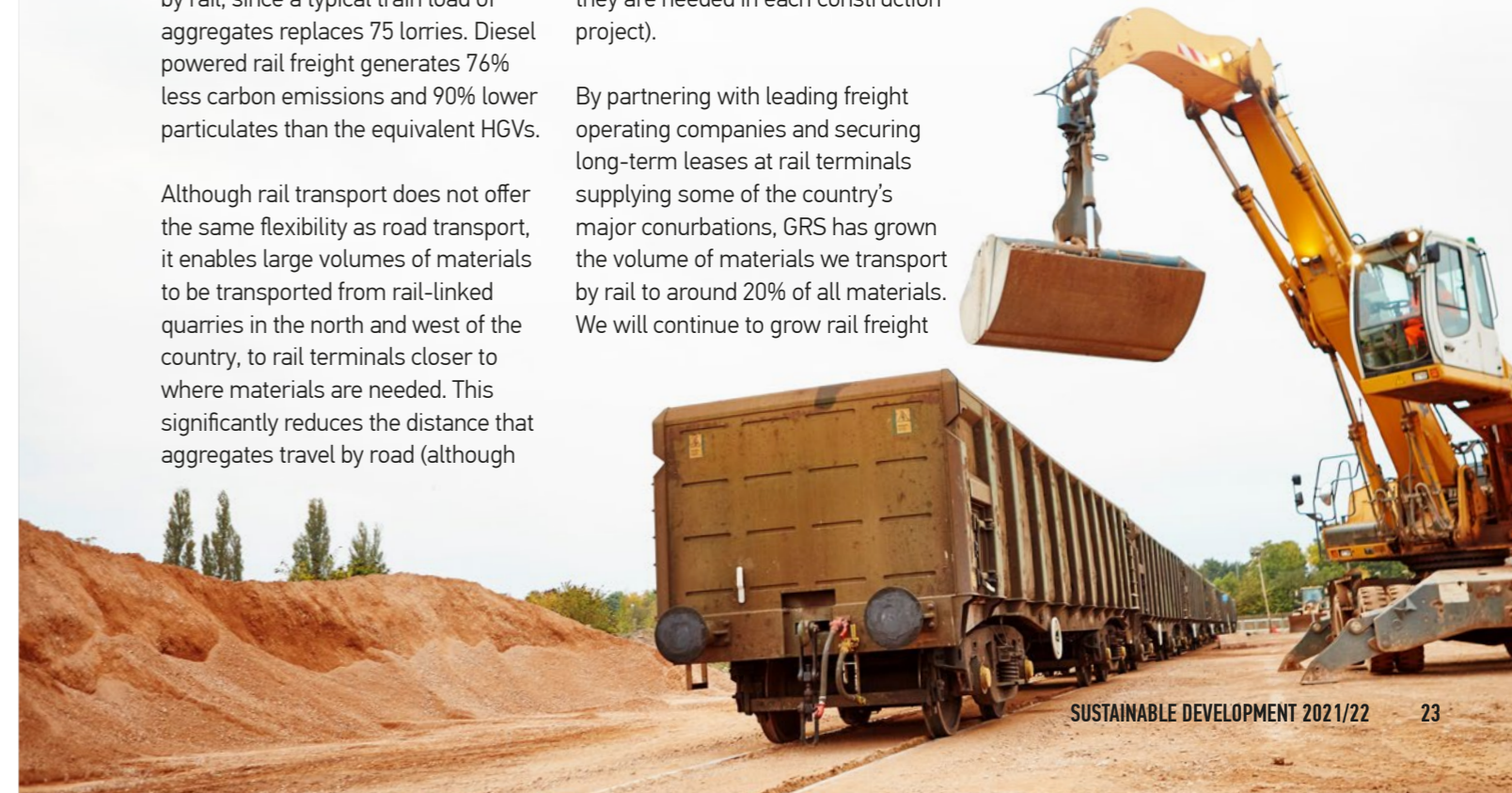
For several years GRS has pursued a strategy to move more materials by rail, since a typical train load of aggregates replaces 75 lorries. Diesel powered rail freight generates 76% less carbon emissions and 90% lower particulates than the equivalent HGVs.

Although rail transport does not offer the same flexibility as road transport, it enables large volumes of materials to be transported from rail-linked quarries in the north and west of the country, to rail terminals closer to where materials are needed. This significantly reduces the distance that aggregates travel by road (although

HGVs are invariably needed to move materials the last few miles to where they are needed in each construction project).

By partnering with leading freight operating companies and securing long-term leases at rail terminals supplying some of the country's major conurbations, GRS has grown the volume of materials we transport by rail to around 20% of all materials. We will continue to grow rail freight

within the limitations of rail network availability and infrastructure.



Further carbon improvements can be made with electrification of freight terminals and use of electrically-powered engines. Today few bulk rail freight terminals are electrified because aggregates are commonly unloaded using a 'grab' bucket from above and overhead power lines would prevent this. However, we are already working with partners on trialling an innovation allowing overhead lines to fold up and out of the way to allow for unloading and reloading (eg inert waste materials). The GHG emissions reduction from electrifying rail freight would be significant.

Delivering materials to HS2 by rail

Since 2020, GRS subsidiary Rail Stone Solutions (RSS) has been the lead supplier of construction aggregates to HS2 by train as part a programme to minimise carbon emissions by using rail freight rather than road transport.

Over the next decade, up to 15,000 freight trains will haul 10 million tonnes of aggregate to HS2 construction sites thanks to RSS, representing a massive reduction in carbon emissions by keeping hundreds of thousands of lorry movements off the road network.

RSS is a stand-alone venture dedicated to consistent delivery of large volumes of aggregates for major projects like HS2 in the most efficient and cost-effective way possible. The company's unparalleled capability comes from its supply agreements with major materials producers, and long-standing partnerships with rail, road and marine freight operators.



Marine freight

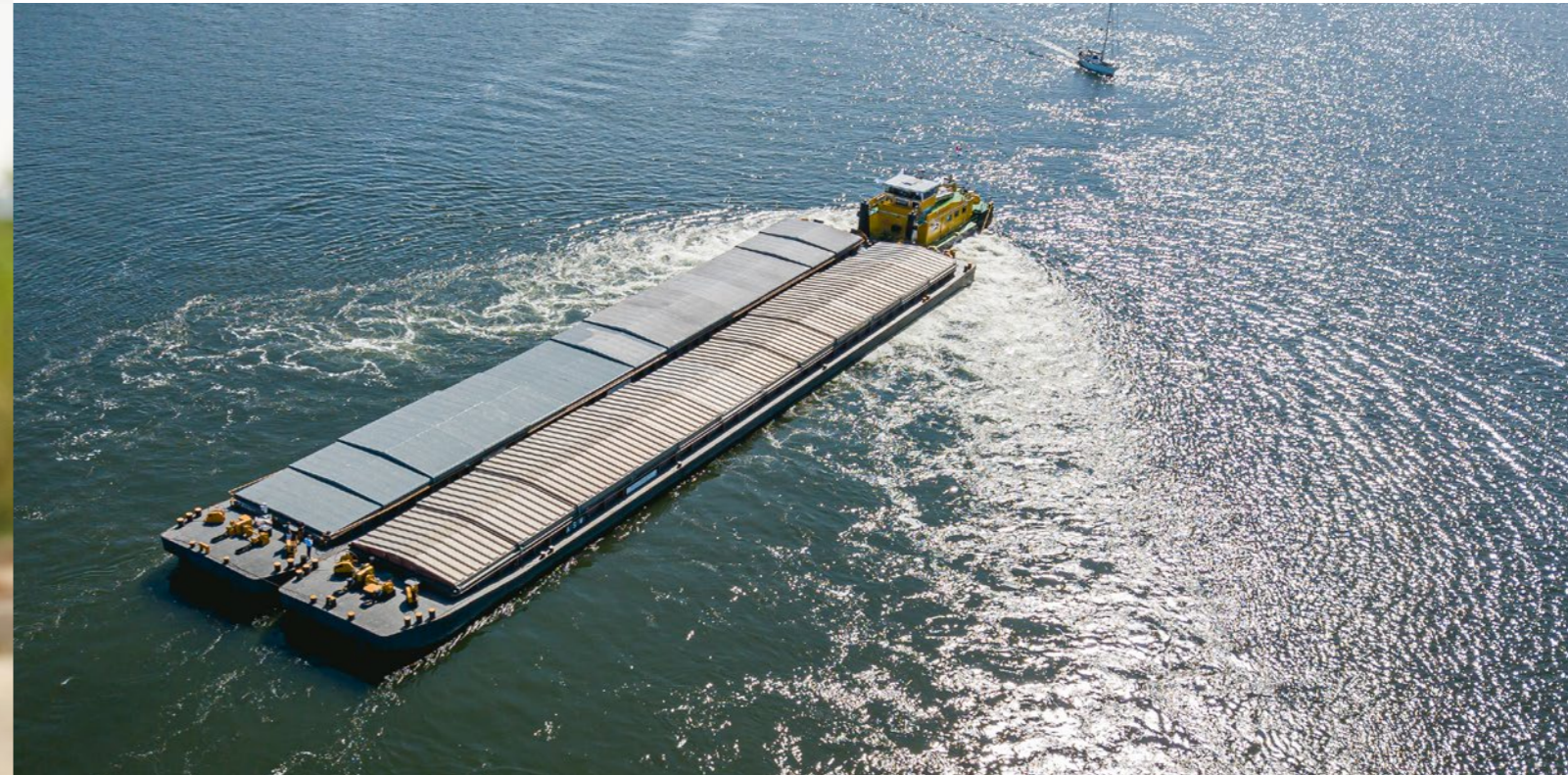
Like rail transport, marine freight is a relatively low carbon, low emissions method for transporting bulk materials on navigable waterways. GRS operates one of the largest fleets of its kind on the River Thames and each day we move up to 10,000 Tonnes of bulk cargo through London by river.

Marine freight requires navigable waterways and suitably-located wharves with the infrastructure and space for loading and unloading of materials – and London is one of the few UK cities able to accommodate viable large-scale marine freight activities.

In recent years we have made multimillion pound investments in our marine fleet – a versatile array of tugs and barges specifically designed to meet the material demands in London. Marine transport is generally acknowledged to be a route to achieving the smallest possible carbon footprint for bulk materials. Carbon emissions data varies widely for marine freight and we are developing our own carbon measurement framework for vessels in our fleet. For the next generation of vessels we will explore the use of hydrogen power which we

anticipate will be available to commercial applications such as freight.

By combining our marine operations with road and river transport, and working with partner organisations in the supply chain, GRS is able to provide a complete end-to-end freight and handling service delivering maximum efficiency.





The UK's most sustainable aggregate?

The first sea shipment of construction aggregate derived from Cornish china clay waste was brought into London by GRS in 2021. The delivery marked the start of an exclusive deal which enables GRS to import hundreds of thousands of tonnes of secondary granite – branded Enviroc® – from Cornwall to London each year by ship, with a fraction of the embodied carbon of other construction aggregates. An independent study suggests the carbon footprint is on average 47% lower than the equivalent primary aggregates and could be as much as 75% lower.

Recognised by leading green building rating systems as one of the most sustainable alternatives to newly-quarried aggregates, Cornish granite has previously been used in a handful of London developments, including the Olympic Park. But its widespread use has been constrained by the belief that transporting it into London wasn't viable by any means.

In partnership with the Port of Tilbury, GRS invested £4 million in a new aggregates processing plant on the dockside to produce a range of high-quality, certified single-sized products to meet the needs of construction across London. Because of the plant's location, that

material can be delivered across the capital by road, rail and even river using GRS's wholly-owned Thames freight business Walsh Marine.

Power for the aggregates plant is supported by an on-site wind-turbine and the stone washing system uses rainwater that is recycled and reused time after time. Silt washed off the stone is collected for use in land remediation schemes further down the Thames and GRS says these 'fines' may themselves be used to produce a lightweight aggregate in the future. A UK-sourced, industrial by-product transported by water means that Enviroc is arguably the UK's most sustainable aggregate.

For centuries, the production of china clay (kaolin) has shaped the Cornish countryside. For every tonne of china clay extracted, around nine tonnes of granite by-product is generated – this has built up into enormous waste piles estimated to be around 500 million tonnes which are now the source for Enviroc aggregates. The new venture sees GRS's Cornish subsidiary Maen Karne haul the raw material from a china clay pit near St Austell to nearby

Fowey harbour where it is loaded onto ships to make the 400 nautical mile trip to Tilbury for processing.

Aggregates make up the single biggest volume of any materials needed for virtually every construction scheme, and London consumes about 10 million tonnes each year. With recycling of demolition and excavation waste virtually at its maximum in the capital, GRS believes the way to further improve the sustainability of aggregates is to use secondary material and transport it as efficiently as possible.

Besides a marine wharf and processing plant at Tilbury, we have constructed a new bagging plant on site too, the first outside of Cornwall and Devon to pack exclusively secondary aggregates for delivery to local

builders' merchants and building sites. GRS is also recommissioning a rail freight terminal to be able to transport secondary aggregates more widely across Greater London and the South East. Transporting aggregates by river and rail significantly reduces road miles and traffic congestion, and represents a fraction of the carbon emissions of road haulage. It also frees up road vehicles to focus on 'the last mile' to deliver products to construction sites – and GRS runs one of the most modern, clean and safe HGV tipper fleets in the capital, accredited to FORS Gold standard.

**Low-carbon secondary aggregates.
Sustainably produced. Sustainably delivered.**

Resources & circular economy

Highlights

- More than 50% of the materials traded by GRS now come from secondary or recycled sources
- As a percentage of volume, we supply more secondary aggregate than any other national provider
- GRS is the only business to ship UK sourced secondary aggregates into London by marine freight

Targets

- By 2025 we will double the volume of secondary and recycled materials we supply
- By 2025 we will offer a 100% recycled or secondary lower-carbon option to all our customers
- By 2040, 80% of our products will come from secondary and recycled sources and the only primary aggregates we source will be certified as net zero carbon



As the UK's leading trader of aggregates, building products and waste materials, the GRS Group does not have the fixed costs of large-scale quarry production plants and is not reliant on the need to maximise productivity and output to deliver a strong, sustainable performance.

Instead, GRS has the flexibility to source materials from any producer of materials – as long as the quality, volume and location are right – and as a result we have been able to play a leading role in expanding the use of secondary and recycled aggregates.

Recycled sources typically include waste from construction, demolition or excavation (CDEW), including things like crushed concrete, road planings and old rail ballast. These are washed and graded to aggregates that are suitable for some, but not all, uses in construction. Secondary aggregates are by-products from other sectors such as china clay mining and GRS has pioneered to transportation and processing of secondary materials to produce high quality aggregates.

Today more than 50% of the materials that GRS trades come from recycled or secondary sources. For the foreseeable future there will still be a need for primary aggregates, but we are determined to continue increasing the volume of secondary and recycled materials we supply with a target to double their volume by 2025.

Besides reducing the demand for newly-quarried primary aggregates, the use of secondary aggregates also means lower carbon emissions during manufacturing.

Materials that cannot be recycled are typically used by GRS for land reclamation and quarry restoration schemes, turning brownfield land into farmland or new habitats for nature.

A new use for unwanted mine waste

In 2021 GRS also secured an exclusive deal to bring to market millions of tonnes of granite arising from British tungsten mining as sustainable construction aggregate.

The unique multi-million pound venture sees GRS join forces with Tungsten West, operators of recently reopened Hemerdon tungsten-tin mine near Plympton, Devon, to sell high-quality secondary aggregate and transport it nationwide by sea and rail.

By-products arising from mining are widely rated as one of the most sustainable sources of construction aggregate and transportation by sea and rail produces a fraction of the carbon emissions of the equivalent road journeys.

Tungsten is the hardest metal with the highest melting point and has numerous uses in electronics, manufacturing and an array of everyday objects. Hemerdon mine is internationally important because it is the world's fourth largest tungsten reserve (and the second largest to comply with CRIRSCO standards) as well as being Europe's only source of tungsten.

But mining tungsten also gives rise to thousands of tonnes of granite, ideal for a full range of secondary aggregates from bulk fill materials to single sizes for concrete and many other construction applications. GRS uses its well-established freight network – in particular rail and marine – to efficiently transport the aggregate to construction projects across the south of England and potentially further afield. The granite aggregates are processed on site at Hemerdon helping to sustain a number of local jobs.

Not only are we helping the UK to remain self-sufficient in essential minerals, but we're also distributing them in the most sustainable way possible. Starting in 2021 GRS has ramped-up secondary aggregate volumes from Hemerdon and is pushing to deliver more than a million tonnes each year for the next decade and beyond.

After a short lorry journey from Hemerdon, the aggregate is loaded onto ships at Plymouth for transportation to other ports around Britain. The material is also hauled a short distance by road to nearby Marsh Mills where it can be loaded onto trains for onward distribution via the rail network.



Energy use

GRS already procures its electricity from providers of renewable energy. Whilst few of our sites lend themselves to the use of solar we are exploring opportunities at every location where we believe renewable energy may be feasible.

Whilst the majority of GRS mobile equipment (eg loading shovels, excavators) are currently diesel powered, we are already working towards the full electrification of some mobile plant where technology exists, such as forklift trucks which operate in our Building Products division.

Where diesel remains the only option for mobile equipment in the near future, we will be trialling the use of hydrotreated vegetable oil having switched our entire own fleet in the south west of England to run on HVO. HVO is proven to be a clean alternative to fossil fuel derived diesel and we have selected a supplier of HVO which sources its fuel only from waste materials.

For smaller company vehicles, such as company cars and vans – where the technology already exists for zero exhaust emissions – we are putting in place a policy to replace fossil fuel powered vehicles with electric vehicles at the time when they are due for replacement.



Consumable products

In order to supply our products and services, like all businesses we consume energy and a range of products from third parties, such as fuels, packaging, paper, pallets, tyres, etc. Today we monitor these based principally on best economic value and service levels, and we have systems in place to support the recovery and reuse of some items such as bulk aggregate bags and pallets.

All the bags we use for our packed aggregate products now contain 30% recycled content and we are working closely with our suppliers to find a degradable alternative that delivers the same performance as a plastic bag. Our pallets are manufactured from timber from FSC-certified sources and are collected for reuse (and repaired where possible). At the end of their useful life our pallets are repurposed and recycled in line with best practice.

By 2025 we will have in place a mechanism to be able to monitor the entire supply chain for these resources to enable more sustainable, lower-carbon choices to be made. By 2040 our intention is for our supply chains for all measurable consumables to be net zero carbon, with reuse, recycling or sustainable disposal arrangements in place.

In the South West, our ready-mixed concrete business needs cement and additives to ensure our concretes meet the highest standards. On occasions where concrete deliveries are returned we use the mix to create useful interlocking concrete blocks rather than letting any concrete go to waste. These blocks are then sold and delivered locally.



Sustainable Practices

Highlights

- Restructured the business to improve efficiency and accelerate our sustainability journey
- Record turnover gives us the scale and the means to invest in sustainable technologies
- Increased community support with operational site improvements and a new volunteer scheme

Targets

- By 2025, all sites will have an active site improvement plan to address environmental impacts
- Introduce a range of everyday practices to improve sustainability at all offices and sites

“What we do and how we do it is guided by a set of policies designed to drive sustainable practices”

Operational management

We are proud of the high standards we strive to maintain across our operational sites. Most GRS operations – especially our network of bagging plants – are ‘co-located’ within quarries and other production facilities operated by third party quarrying companies. These are usually in rural or semi-rural areas and are subject to the same rigorous health, safety and environmental controls which apply to the wider site operations.

Many of our standalone operational sites, typically rail terminals and recycling facilities, have been acquired from other operators over recent years. We are working to ‘raise the bar’ to bring these sites up to the high standards we have set for ourselves in terms of health, safety, environmental and quality management.

We are especially sensitive to the fact that these sites are also more likely to be located near to residential or commercial areas. We have therefore implemented site improvement plans and invested in solutions to address common localised environmental issues such as air quality, noise, traffic and operating hours.

Whilst few of our sites lend themselves to the use of solar we are exploring opportunities at every location where we believe renewable energy may be feasible.



CASE STUDY

Improvements in Birmingham

In order to meet the need for aggregates for HS2 as sustainably as possible, GRS took over a dormant rail terminal close to the centre of Birmingham at Small Heath. This enables aggregates from quarries in the surrounding counties to be delivered relatively close to where they are needed by lower-carbon rail, with the last few miles being completed by road. Since one train of aggregates typically replaces around 75 lorries on the road, with a 75% lower carbon footprint on average the use of rail is a most sustainable solution.

However, Small Heath rail terminal is surrounded by homes and small businesses, and it became clear that the way the site had been operated historically would not be acceptable today in terms of air quality, noise and mud on the road. Following dialogue with local residents and business owners, and the involvement of the local authority, GRS set about improving the site, installing a modern dust suppression system and improving vehicle routing around the site. For areas which cannot

be reached by the sprinkler system we employ a water bowser and also carried out work to improve drainage to prevent standing water. In addition we improved the entrance to minimise the chances of material reaching the public highways (and regularly employ a road sweeper to keep the road clean) and have tidied the perimeter planting and repaired fencing.

The site was also permitted to work round the clock but we recognised that the noise from the train unloading activities was causing some disturbance to those living nearby. We therefore reorganised our operation patterns to ensure that unloading took place during waking hours and, on rare occasions when this was not possible,

we changed working practices to minimise noise at night. We also decided to only bring in smaller sized aggregates (which make less noise when unloaded) and redirected trainloads of largest sized aggregate to other locations further away from residential areas.



HSEQ Management Systems

GRS operates a comprehensive, integrated system for the management of health, safety, environment and quality.

The Group is backed by the following LRQA certifications:

- ISO45001 – Health & Safety Management System
- ISO14001 – Environmental Management System
- ISO9001 – Quality Management System
- PAS 91 – Pre-Qualification Questionnaires in Construction-related Procurement

This means our customers and business partners can be confident that we're working to ensure our business remains as safe and sustainable as possible, and we have the systems in place to continually improve the way we operate our business.



Governance & Internal Controls

As GRS has expanded its business the Group has strengthened its focus on robust governance and alignment with market best practices. Throughout the organisation, from board level to our sales and operations teams nationwide, we have sought to maintain high levels of transparency and accountability to ensure that good governance is embedded within our working culture.

The GRS Group Board comprises nine members, including two non-executive directors. The Board, which meets quarterly, has a combined 175 years of wide-ranging experience in our industry sector. Executive members of the Board also meet monthly at the Executive Committee which is also attended by other Directors who between them are responsible for the Group's entire portfolio.

Separate to the Group Board and Executive Committee is an independent Governance Committee responsible for reviewing ESG matters and also Board effectiveness, Group strategy, audit, tax and internal control framework.

Given the growth of GRS, especially in the past five years, the Group has invested in a control framework commensurate with its size and scale. In 2021 GRS appointed a new Group Finance Director who has specific training in ICoFR (Internal Control over Financial Reporting) and SOX (Sarbanes-Oxley Act), and we are in the process of appointing a Head of Control and Procedures to set the standard for a 'best in class' controls framework across the Group.

Associations and memberships

GRS is a member of a number of industry trade associations representing our business activities as well as numerous schemes that uphold the highest standards in safety and sustainability. As a member of the UK Mineral Products Association (MPA) we are bound by the core values set out in the MPA membership charter and means we are bound by the following commitments:

- Committed to the principles of sustainable development
- Committed to raising competence and skill levels in the industry
- Committed to protecting and enhancing UK Biodiversity
- Committed to reducing carbon and other industrial emissions
- Committed to the sustainable use of products by end users
- Committed to maximising recycling of materials and improving resource efficiency

GRS is also a member of several other bodies including the Chartered Institute of Wastes Management, Builders Merchants Federation and the Road Haulage Association, as well as schemes including Railway Industry Supplier Qualification Scheme, Achilles Building Confidence construction supply chain scheme, Constructionline Materials Supplier scheme, Fleet Operator Recognition Scheme and Construction Logistics and Community Safety Champion.



Ethical trading

Although the vast majority of GRS products are sourced and processed in the UK, GRS does source a small volume of materials (such as certain specialist aggregates and paving products) from overseas.

To ensure these products are made and supplied to the highest ethical and environmental standards, GRS is a 'foundation' member of

the Ethical Trading Initiative (ETI), a leading alliance of companies, trade unions and other organisations that promotes respect for workers' rights around the globe.

Being part of the ETI means GRS has demonstrated explicit commitment to ensuring that its products have not been made at the hands of exploited



workers. It's also a recognition that global supply chains are complex and worker's rights issues are best tackled through collaborative action with other organisations.

Tax Strategy

GRS is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group's tax affairs are managed in a way which takes into account our wider corporate reputation in line with our overarching high standards of governance. Our tax strategy applies to all GRS Group companies in accordance with paragraph 16 of Schedule 19 to the Finance Act 2016 and is published in accordance with paragraph 16(2) of the Schedule.

Modern Slavery

Modern slavery is a serious crime that deprives some people of their liberty and dignity for another person's gain. GRS operates a zero-tolerance approach to instances of modern slavery and are fully committed to preventing slavery and human trafficking in our operations and supply chain. We enforce strong controls to ensure it has no place in our business and throughout our supply chain.

PERFORMANCE & STRATEGY

Business reorganisation

In 2022 the Group embarked on a major restructure of its business to streamline its processes and practices, improving the efficiency and sustainability of the business in the areas which have the biggest impact such as logistics, materials handling and sourcing of materials.

This cleaner, simpler structure will allow us to accelerate our growth from £450 million turnover in 2022 to an ambitious £750 million in 2025. It will make us more efficient, reducing duplication of effort, and it supports our drive to be 'no1 for customer experience'. It also allows us to progress our plans in sustainability, from our bold environmental ambitions to the wellbeing of our people.

Above all it has allowed GRS to set out on a new journey to put in place an ESG framework to help us to formulate and deliver on our ambitions to build a truly sustainable business model.



The restructure was not designed to rationalise the business or create efficiencies from redundancy – no job were lost as a result of the changes. On the contrary, we have been able to increase the number of internal promotions as part of our people development strategy and we have recruited new talent externally. This included our first apprenticeship dedicated to sustainability.

Business performance

The past year has been a watershed for the GRS Group. Having weathered the initial economic storms brought on by the global pandemic, the business achieved a record turnover and strong pre-tax profits for 2021/22.

GRS posted a revenue of £383 million in the year ending 31st January 2022, a leap of 28 per cent on the last like-for-like accounting year (2018). And despite material shortages, increasing costs and covid-related contract delays, GRS reported that its pre-tax profits reached £2.5 million in 2021/22 (post £3 million goodwill impairment) up from losses of £1.7 million in the previous seven-month period.

The company's growth strategy directly supports its drive to operate a sustainable business model. This is best exemplified through acquisitions of recent years including London groundworks and marine freight business **S Walsh & Sons** and Cornwall-based secondary aggregates and concrete business **Maen Karne**.

These and other strategic investments are paying dividends as well as placing GRS among the most sustainable businesses in its sector, enabling greater use of rail and water freight in London, reprocessing of mining spoil as secondary aggregates, the recovery and recycling of construction waste, and the move towards green hydrotreated vegetable oil (HVO) fuel in the South West.

The results show that GRS is in a good, stable position after the impact of the pandemic and the uncertainty of previous years. Following its successful supply to some of the UK's biggest infrastructure schemes such as Crossrail, Thames Tideway, Hinkley Point C and the new A14 in Cambridgeshire in recent years, the company is now the lead supplier of aggregates to HS2 proving its capability to source aggregates at any volume from the country's leading quarry operators.

The company is therefore optimistic that it will continue its involvement in flagship infrastructure projects. The Group now has a solid platform to deliver a strong performance in the years ahead.

CORE VALUES



CARING. People are at the heart of everything we do. We all look out for one another, and in doing so help to create a happy, rewarding, safe, healthy and sustainable workplace. Everyone is included, respected and valued.



INSPIRING. Together we contribute to something exceptional, building strong working relationships to achieve common goals. We inspire and challenge each other to go beyond, showing leadership, responsibility and trust.



DEVELOPING. We nurture the strengths of every person so they can do their best. We create opportunities for learning and development, supporting everyone to achieve their goals and realise their ambitions.



CAN-DO. We work with positivity, passion and flair, seeing obstacles as challenges to overcome. We're agile enough to adapt when things change, yet determined enough to go beyond to make things happen.



EXCELLING. We're continually improving to ensure we're number one in our chosen markets, in customer service and in people development. Each person contributes to, and shares in, our undisputed, sustainable success.



GRS GROUP

10 Goldsmith Way, Eliot Business Park,
Nuneaton Warwickshire, CV10 7RJ.
Tel: 02476 580800
www.grswegobeyond.co.uk